

84TH CONGRESS	}	HOUSE OF REPRESENTATIVES	}	REPORT
1st Session				No. 1260

STRENGTHENING THE ORGANIZATION OF THE
DEPARTMENT OF STATE

JULY 19, 1955.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

Mr. RICHARDS, from the Committee on Foreign Affairs, submitted the
following

R E P O R T

[To accompany S. 2237]

The Committee on Foreign Affairs, to whom was referred the bill (S. 2237) to amend the act of May 26, 1949, to strengthen and improve the organization of the Department of State, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill do pass.

The amendment is as follows:

Strike out all after the enacting clause and insert the following:

That section 1 of the Act of May 26, 1949 (63 Stat. 111; 5 U. S. C. 151 (a)), is hereby amended to read as follows:

"There shall be in the Department of State in addition to the Secretary of State and Under Secretary of State, three Deputy Under Secretaries of State, and ten Assistant Secretaries of State."

SEC. 2. Section 2 of the said Act is hereby amended to read as follows:

"The Secretary of State and the officers referred to in section 1 of this Act, as amended, shall be appointed by the President, by and with the advice and consent of the Senate. The Counselor of the Department of State and the Legal Adviser, who are required to be appointed by the President, by and with the advice and consent of the Senate, shall rank equally with and shall receive the same salary as the Assistant Secretaries of State. Any such officer holding office at the time the provisions of this Act, as amended, become effective shall not be required to be reappointed by reason of the enactment of this Act, as amended. Unless otherwise provided for by law, the rate of basic compensation of the Deputy Under Secretaries of State shall be the same as that of Assistant Secretaries of State."

SEC. 3. The President may initially fill two of the Deputy Under Secretary positions established in section 1 of this Act by appointing, without further advice and consent of the Senate, the two Deputy Under Secretaries of State who, on the date of the enactment of this Act, held that designation pursuant to authority contained in section 2 of the Act of May 26, 1949 (63 Stat. 111).

SEC. 4. Section 412 of the Foreign Service Act of 1946 (60 Stat. 999), as amended (hereinafter referred to as "such Act"), is amended by striking the first sentence of said section and by inserting in lieu thereof the following:

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"There shall be eight classes of Foreign Service officers, including the classes of career ambassador and of career minister. The per annum salary of a career ambassador shall be the same as that for an Assistant Secretary of State."

SEC. 5. Section 501 (a) of such Act is amended by adding the phrase "career ambassadors and" immediately following the word "including".

SEC. 6. Section 502 (a) of such Act is amended by inserting the phrase "class of career ambassador and" immediately following the phrase "qualified for appointment to the", and by adding the following sentence at the end of said subsection:

"No person shall be appointed into the class of career ambassador who has not (1) served for at least fifteen years in a position of responsibility in a Government agency, or agencies, including at least three years as a career minister; (2) rendered exceptionally distinguished service to the Government; and (3) met such other requirements as the Secretary shall prescribe."

SEC. 7. Section 518 of such Act is amended by inserting the words "career ambassador or" immediately following the phrase "to the class of".

SEC. 8. Section 631 of such Act is amended by inserting the words "a career ambassador or" immediately after the words "who is".

SEC. 9. Section 632 of such Act is amended by inserting the words "a career ambassador or" immediately following the words "who is not".

SEC. 10. (a) Section 811 (a) of such Act is amended by striking out "811. (a)" and inserting "811." in lieu thereof and by striking out the phrase "of all participants" and inserting in lieu thereof the words "received by each participant".

(b) Section 811 (b) of such Act is hereby repealed.

SEC. 11. Section 821 (a) of such Act is amended by striking the phrases "not exceeding \$13,500 per annum," and "five years next preceeding the date of his retirement" and inserting the phrase "highest five consecutive years of service, for which full contributions have been made to the fund," immediately preceding the phrase "multiplied by".

MAIN PURPOSES

The main purposes of this bill are: (1) To increase the number of top-level statutory positions in the Department of State by three officers at the level of Deputy Under Secretary of State; (2) to provide for the rank of career ambassador as the highest class of Foreign Service officer; and (3) to permit computations for retirement purposes upon the actual salary received by an officer. The committee struck out the Senate provision for increasing the salaries of the principal officers of the Department of State.

COMMITTEE ACTION

S. 2237 was passed by the Senate on June 17 and referred to the Committee on Foreign Affairs on June 20. The committee met on July 12 to hear the testimony of Hon. Loy Henderson, Deputy Under Secretary of State for Administration. Upon the conclusion of Mr. Henderson's testimony the committee ordered the bill reported favorably with all after the enacting clause stricken and the committee amendment substituted.

SECTION ANALYSIS

Section 1

Public Law 73 of the 81st Congress provided for the top-level positions of the Department of State. In addition to the Secretary of State, provision was made for an Under Secretary of State and 10 Assistant Secretaries of State. Two of the latter were authorized to be designated by the Secretary of State as Deputy Under Secretaries of State, but their compensation was, and is, the same as that for Assistant Secretaries. These two positions are presently held by Hon. Robert G. Murphy, who is concerned primarily with political affairs, and by Hon. Loy Henderson, who handles administrative matters.

Section 1 creates 3 positions of Deputy Under Secretaries of State and leaves the number of Assistant Secretaries at 10. At the present time Assistant Secretaries are in charge of (1) European affairs; (2) Near Eastern, South Asian, and African affairs; (3) Far Eastern affairs; (4) Inter-American affairs; (5) congressional relations; (6) international organization affairs; (7) economic affairs; and (8) public affairs. The other two Assistant Secretaries are designated as Deputy Under Secretaries.

Testimony presented to the committee showed the urgent need for an officer at the Deputy Under Secretary level to deal with economic matters. As Mr. Henderson testified:

We have felt for some time the need for a high-ranking officer in the Department who would look after our international economic policies at a high level; that is, not operations of an economic nature which would still be under the Assistant Secretary, but broad policies. We need a man who will be free from the day-to-day work of operations. Our economic problems are assuming ever-increasing importance. The Secretary is very anxious to be able to have a man free from the responsibility of the day-to-day operations who can be his top economic adviser.

The two Assistant Secretary posts that would become available would be filled by the Director of the Policy Planning Staff and by the Controller. The elevation of the former officer to an Assistant Secretary is in keeping with the importance of his position. In addition to accompanying the Secretary of State on many of his trips, he attends meetings of the National Security Council planning staff. The Controller was formerly an Assistant Secretary. When the title of Under Secretary for Administration expired by law in December 1954, the Secretary of State designated one of the Assistant Secretaries as the Deputy Under Secretary for Administration. The incumbent of the assistant-secretaryship was made Controller. This bill would make available 1 of the 2 additional Assistant Secretary positions for the Controller who would be the second ranking officer in the administrative area. The increased attention given by the Department to improved administration makes it imperative that the Deputy Under Secretary for Administration be given adequate assistance in the discharge of his duties.

Section 2

This section requires Senate confirmation of the individuals selected by the President to hold the positions enumerated in section 1. Provision is made so that the present incumbents of the positions listed in section 1, all of whom have been confirmed by the Senate, may continue in their respective offices without the necessity of being reconfirmed. It also provides that the legal adviser shall receive the same salary as an Assistant Secretary, thus restoring that officer to a salary level that he had before the passage of Public Law 359 of 1949. At present, he is the only officer in the Department of State, appointed by the President with the advice and consent of the Senate, who receives a classified rate of \$14,800. Under this section his salary would be increased to \$15,000.

This section also authorizes compensation for the statutory position of Deputy Under Secretary of State at the same rate as that of the Assistant Secretaries, namely \$15,000. Thus, this bill carries an authorization increase for one additional Deputy Under Secretary at \$15,000, an increase of \$200 for each of the two designated Deputy Under Secretaries of State, and an increase of \$200 for the Legal Adviser—a total increase in authorization of \$15,600.

Section 3

This section provides that the two individuals presently designated as Deputy Under Secretaries of State and who have already been confirmed by the Senate need not be reconfirmed. The position of the third Deputy Under Secretary of State will have to be filled in accordance with the usual appointment and confirmation procedure.

Section 4

The Foreign Service Act of 1946 makes provision for six classes of Foreign Service officers plus a class of career ministers. This section adds an additional class, that of career ambassador, and provides that the salary for the new class shall be the same as that for an Assistant Secretary of State.

More than 40 Foreign Service officers are now serving as ambassadors, although the highest rank under existing law is that of career minister. The committee believes that the creation of a new rank would give additional prestige and dignity to the Service and make it more attractive as a career. Mr. Henderson stated that not more than 8 or 10 would be appointed to this position. Since those who would be selected are for the most part already receiving a salary equivalent to or greater than that of an Assistant Secretary, the addition of this grade would result in little or no cost to the Government.

Section 5

This section requires career ambassadors to be appointed by the President and confirmed by the Senate.

Section 6

This section sets forth the legislative criteria governing the appointment of Foreign Service officers as career ambassadors. It will be noted that an individual, to qualify as a career ambassador, must have served in a position of responsibility in a Government agency, or agencies, for at least 15 years. Such service may include service in the Armed Forces. At least 3 years of the 15 years must be in the class of career minister. Service in the Government must be marked by exceptional distinction. In addition, the Secretary of State shall prescribe additional requirements to assure the selection of only the most qualified.

Section 7

This section amends existing law to assure that the class of career ambassador will be limited only to Foreign Service officers.

Section 8

This section permits career ambassadors who are not chiefs of mission to serve until age 65.

Section 9

The language of this section amends existing law to assure the retirement at age 60 of those Foreign Service officers who are neither career ambassadors nor career ministers.

Section 10

This section amends the Foreign Service Act of 1946 by removing the salary ceiling upon which retirement contributions and computations are made.

Section 11

This section also amends the 1946 act by using as a base for computing retirement annuities the salary received for the highest 5 consecutive years of service for which full contributions have been made to the retirement fund. Officers who have not yet retired may receive credit for their base salary previously earned in excess of the existing salary ceiling only by making contributions as necessary to the retirement fund.

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as passed by the Senate, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

[PUBLIC LAW 73—81ST CONGRESS]

[CHAPTER 143—1ST SESSION]

[S. 1704]

AN ACT To strengthen and improve the organization and administration of the Department of State, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, [That there shall be in the Department of State in addition to the Secretary of State an Under Secretary of State and ten Assistant Secretaries of State.] There shall be in the Department of State in addition to the Secretary of State an Under Secretary of State, three Deputy Under Secretaries of State, and ten Assistant Secretaries of State.

SEC. 2. [The Secretary of State and the officers referred to in section 1 of this Act shall be appointed by the President, by and with the advice and consent of the Senate. The Counselor of the Department of State and the Legal Adviser who are required to be appointed by the President, by and with the advice and consent of the Senate, shall rank equally with the Assistant Secretaries of State. Any such officer holding office at the time the provisions of this Act become effective shall not be required to be reappointed by reason of the enactment of this Act. The Secretary may designate two of the Assistant Secretaries as Deputy Under Secretaries.] *The Secretary of State and the officers referred to in section 1 of this Act, as amended, shall be appointed by the President, by and with the advice and consent of the Senate. The Counselor of the Department of State and the Legal Adviser, who are required to be appointed by the President, by and with the advice and consent of the Senate, shall rank equally with the Assistant Secretaries of State. Any such officer holding office at the time the provisions of this Act, as amended, become effective shall not be required to be reappointed by reason of the enactment of this Act, as amended. The rates of basic compensation of the Under Secretary of State shall be \$21,000 per annum, the Deputy Under Secretaries of State \$20,500 per annum, the Assistant Secretaries of State, the Counselor, and the Legal Adviser \$20,000 per annum.*

SEC. 3. The Secretary of State, or such person or persons designated by him, notwithstanding the provisions of the Foreign Service Act of 1946 (60 Stat. 999) or any other law, except where authority is inherent in or vested in the President of the United States, shall administer, coordinate, and direct the Foreign Service of the United States and the personnel of the State Department. Any provisions in the Foreign Service Act of 1946, or in any other law, vesting authority in the "Assistant Secretary of State for Administration", the "Assistant Secretary of State in Charge of the Administration of the Department", the "Director General", or any other reference with respect thereto, are hereby amended to vest such authority in the Secretary of State.

SEC. 4. The Secretary of State may promulgate such rules and regulations as may be necessary to carry out the functions now or hereafter vested in the Secre-

tary of State or the Department of State, and he may delegate authority to perform any of such functions to officers and employees under his direction and supervision.

SEC. 5. The following statutes or parts of statutes are hereby repealed:

Section 200 of the Revised Statutes, as amended and amplified by the Acts authorizing the establishment of additional Assistant Secretaries of State, including section 22 of the Act of May 24, 1924 (ch. 182, and the Act of December 8, 1944, R. S. 200; 43 Stat. 146; 58 Stat. 798; 5 U. S. C. 152, as amended by Public Law 767, Eightieth Congress).

Section 202 of the Foreign Service Act of 1946 (60 Stat. 1000) and any other reference in such Act to the "Deputy Director General".

Section 1041 of the Foreign Service Act of 1946 (60 Stat. 1032).

Approved May 26, 1949.

NOTE.—Section 3 of the pending legislation which does not amend existing legislation is as follows:

SEC. 3. The President may initially fill two of the Deputy Under Secretary positions established in section 1 of this Act by appointing, without further advice and consent of the Senate, the two Deputy Under Secretaries of State who, on the date of the enactment of this Act held that designation pursuant to authority contained in section 2 of the Act of May 26, 1949 (63 Stat. 111).